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September 16, 1998

Ms. Magalie R. Salas  
Secretary  
Federal Communications Commission  
Room 222  
1919 M Street, NW  
Washington, DC 20554

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Re: Access Charge Reform for  
Incumbent Local Exchange  
Carriers Subject to Rate-of-  
Return Regulation  
CC Docket No. 98-77

Dear Ms. Salas:

Please find enclosed for filing in the above-captioned proceeding the original and twelve copies of the reply comments of Rock Hill Telephone Company, Fort Mill Telephone Company, and Lancaster Telephone Company.

Please stamp the additional copy enclosed for this purpose and return it in the self-addressed, stamped envelope provided.

Thank you for your assistance in this matter.

Sincerely,

E.L. Barnes  
Executive Vice President

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**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of )  
 )  
Access Charge Reform for Incumbent )  
Local Exchange Carriers Subject to )  
Rate-of-Return Regulation )

CC Docket No. 98-

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**Reply Comments of  
Rock Hill Telephone Company,  
Fort Mill Telephone Company, and Lancaster Telephone Company**

Rock Hill Telephone Company, Fort Mill Telephone Company, and Lancaster Telephone Company (collectively "Rock Hill") hereby reply to certain comments submitted to the Federal Communications Commission ("FCC" or "Commission") in response to the Commission's June 4, 1998 Notice of Proposed Rulemaking regarding access reform for rate-of-return local exchange carriers (LECs).<sup>1</sup>

The Rock Hill companies are incumbent LECs that provide telephone service to approximately 90,000 access lines in portions of York, Lancaster, and Chester counties in the South Carolina piedmont region. The FCC's proposed modifications to its interstate access rules for rate-of-return companies will dramatically affect the manner in which Rock Hill charges its customers -- both carriers and

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<sup>1</sup>In the Matter of Access Charge Reform for Incumbent Local Exchange Carriers Subject to Rate-of-Return Regulation, CC Docket No. 98-77, Notice of Proposed Rulemaking, FCC 98-101 (rel. June 4, 1998). (NPRM or Notice)

end users - for access services. Therefore, Rock Hill is an interested party to this proceeding.

Rock Hill believes that the FCC's proposal to impose on rate-of-return LECs the same access rules changes that the Commission previously imposed on price cap LECs raises several significant concerns. It appears that the imposition of the Commission's new rules on rate-of-return companies will create Subscriber Line Charges (SLCs) and Presubscribed Interexchange Carrier Charges (PICCs) that are unacceptably high in costly-to-serve areas. Rock Hill believes there is merit to continuing to study access reform for rate-of-return companies until a proposal is crafted that adequately recognizes the differences in operations and service territories between price cap and rate-of-return LECs.

In the event that the Commission decides to impose some form of the price cap access regime on rate-of-return companies, however, Rock Hill believes that several modifications are in order.

For example, Rock Hill agrees with commenters such as the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) that the FCC should abandon its efforts to require LECs to distinguish between primary and secondary residential lines.<sup>2</sup>

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<sup>2</sup> OPASTCO Comments at 14.

The Commission's inclusion of such distinctions in its proposal is problematic for Rock Hill in several ways. First, from a practical standpoint it would be difficult, if not impossible, for Rock Hill to determine with any sense of accuracy which lines were "primary" and which "secondary." Rock Hill's ordering, provisioning, and billing systems simply were not designed to make such distinctions. Incorporating such categories into Rock Hill's information systems would be very expensive. Additionally, even if such changes could be made economically, the proper classification would still be dependent upon information obtained from end user customers themselves. Customer resistance (on privacy grounds) and gamesmanship would immediately undermine this process.

Higher rate elements applied to second lines will also have a chilling effect on the purchase of such lines, often used for information age necessities such as facsimile machines and internet access. This result is contrary to one of the stated goals of the Telecommunications Act of 1996 - i.e. to "accelerate rapidly... deployment of advanced telecommunications and information technologies to all Americans."<sup>3</sup>

Rock Hill also agrees with commenters such as John Staurulakis, Inc. (JSI) that state that the FCC's proposal should be modified to either: 1) cap both the SLC and the

PICC at the nationwide average rate of the Regional Bell Operating Companies (RBOCs); or 2) freeze the SLC at current levels and cap the PICC at the nationwide rate of the RBOCs.<sup>4</sup>

Otherwise, it appears that the costs and service territory characteristics of rate-of-return companies, including Rock Hill, would result in SLCs and PICCs much higher than those of neighboring RBOCs. This result is contrary to one of the universal service principles of the 1996 Telecommunications Act, which expressly states that telecommunications services in rural areas should be available at rates that are reasonably comparable to rates charged for similar services in urban areas.<sup>5</sup> Furthermore, such rate disparity will discourage interexchange carriers from competing for toll service in these areas and discourage end users from purchasing additional telecommunications services in general.

For the above-stated reasons, Rock Hill believes that the FCC should modify its NPRM in a manner consistent with the suggestions contained herein.

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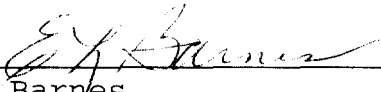
<sup>3</sup> Telecommunications Act of 1996, Report 104-458.

<sup>4</sup> JSI Comments at 2.

<sup>5</sup> Telecommunications Act of 1996, Section 254, Paragraph (b) (3).

Respectfully submitted,

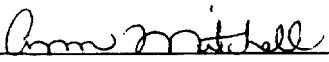
**ROCK HILL TELEPHONE COMPANY  
FORT MILL TELEPHONE COMPANY  
LANCASTER TELEPHONE COMPANY**

By:   
E.L. Barnes  
Executive Vice President

September 17, 1998

**CERTIFICATE OF SERVICE**

I, Ann Mitchell, hereby certify that a copy of the reply comments of Rock Hill Telephone Company, Fort Mill Telephone Company, and Lancaster Telephone Company was sent on this, the 16th day of September, 1998, by Federal Express mail, postage pre-paid, to those listed below.

  
Ann Mitchell

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